

## Message Text

CONFIDENTIAL

PAGE 01 PORT O 03444 152255Z  
ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-08 SS-15 /038 W  
-----003872 160332Z /72

R 152130Z NOV 77  
FM AMEMBASSY PORT OF SPAIN  
TO SECSTATE WASHDC 1573

C O N F I D E N T I A L PORT OF SPAIN 3444

E.O. 11652: GDS  
TAGS: ETRD, OVIP (MOORE, JOHN), TD  
SUBJECT: VISIT OF EXIM BANK PRESIDENT MOORE

REF: PORT OF SPAIN 3345

1. PRESIDENT MOORE AND PARTY MET ON FRIDAY, NOVEMBER 11, WITH THREE MINISTERS IN THE MINISTRY OF FINANCE (MERVYN DE SOUZA, ERROL MAHABIR, AND OVERAND PADMORE), DR. KENNETH JULIEN, COORDINATOR OF THE ENERGY-BASED DEVELOPMENT PROGRAM AND CHAIRMAN OF THE BOARD OF THE IRON AND STEEL COMPANY (ISCOTT), AND FRANK BARSOTTI, PERMANENT SECRETARY IN THE MINISTRY OF FINANCE.

2. MOORE DESCRIBED THE CLIMATE IN THE UNITED STATES AS A RESULT OF THE DIFFICULTIES IN THE STEEL INDUSTRY, WHICH HAS PREVENTED THE EXIM BANK FROM APPROVING THE LOAN REQUESTED BY ISCOTT, NOTING THAT THE TIMING OF THE APPLICATION WAS PARTICULARLY BAD. HE ALSO DESCRIBED SEVERAL STUDIES UNDERTAKEN WITHIN THE USG IN AN EFFORT TO REACH A FAVORABLE DECISION ON THIS APPLICATION. HE EMPHASIZED THAT THEIR INABILITY TO ACT FAVORABLY IN THIS INSTANCE DOES NOT MEAN THAT THE USG IS NOT SYMPATHETIC TO THE GOTT'S DEVELOPMENT PROGRAM, AND SAID THAT EXIM HOPES TO BE ASSOCIATED WITH OTHER MAJOR PROJECTS THE GOTT IS CONSIDERING.

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3. TRINIDADIANs MADE A NUMBER OF POINTS:  
A) GOTT DOES NOT CONSIDER STEEL MILL A ONE-TO-ONE PROPOSITION. THEY BELIEVE FULL RANGE OF DEVELOPMENT PROGRAM, WHICH WILL INVOLVE SUBSTANTIAL IMPORTS OF U.S. TECHNOLOGY AND PRODUCTS INCLUDING STEEL, SHOULD HAVE BEEN TAKEN INTO ACCOUNT.

B) GOTT PLACED ORDER FOR DIRECT REDUCTION PLANT WITH MIDREX ON THE BASIS OF A PRELIMINARY COMMITMENT ISSUED BY EXIM (NOW EXPIRED). THE GOTT HAS ACTUALLY DISBURSED \$10 MILLION TOWARD THIS PLANT, NOW BEING FABRICATED IN THE U.S., OUT OF ITS OWN FUNDS. MINISTERS SUGGESTED THAT REFUSAL NOW TO FINANCE IT WOULD BE AN ACT OF BAD FAITH ON EXIM'S PART.

C) POSITION THAT EXIM COULD FINANCE SPONGE IRON PLANT IF IT IS NOT RELATED TO EXPORT OF STEEL TO THE U.S. IS IN EFFECT AN ATTEMPT TO RESTRICT TRINIDAD AND TOBAGO TO ROLE OF EXPORTER OF PRIMARY PRODUCTS, AND "HUMAN RIGHTS" INCLUDE RIGHT FOR THEM TO ASPIRE TO HIGHEST LEVELS OF TECHNOLOGY.

D) U.S. FIRMS ARE PREFERRED VENDORS FOR MELT SHOP AND ROLLING MILL, BUT BECAUSE OF EXIM ACTION, EQUIPMENT WILL NOW BE PURCHASED FROM OTHER COUNTRIES.

4. MEETING WAS NOT A HAPPY ONE, FOR EITHER SIDE. NEVERTHELESS, WE BELIEVE THE VISIT WAS USEFUL. WE HAVE REASON TO BELIEVE THAT GOTT OFFICIALS UNDERSTAND THE U.S. POLITICAL PROBLEM BETTER THAN THEY WOULD ADMIT IN FORMAL MEETING, AND MOORE'S WILLINGNESS TO COME TO PORT OF SPAIN TO DISCUSS THE ISSUES CANDIDLY AND ACCEPT THE INEVITABLE CRITICISM WAS UNDOUBTEDLY CONFIDENTIAL

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APPRECIATED.

5. MOORE TOLD AMBASSADOR THAT HE WAS UNAWARE OF ROLE PC ON MIDREX APPLICATION FOR FINANCING HAD PLAYED IN THE SOURCING OF THE DIRECT REDUCTION PLANT, AND SUGGESTED HE WOULD TAKE ANOTHER LOOK AT IT FROM THIS ANGLE. WE WOULD APPRECIATE BEING KEPT INFORMED OF THE EXIM BANK'S REVIEW OF THIS MATTER.  
FOX

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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
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